

Grantee: Arizona State Program

Grant: B-11-DN-04-0001

January 1, 2013 thru March 31, 2013 Performance Report



Grant Number:

B-11-DN-04-0001

Obligation Date:**Award Date:****Grantee Name:**

Arizona State Program

Contract End Date:**Review by HUD:**

Submitted - Await for Review

Grant Amount:

\$5,000,000.00

Grant Status:

Active

QPR Contact:

Kathy Blodgett

Estimated PI/RL Funds:

\$0.00

Total Budget:

\$5,000,000.00

Disasters:**Declaration Number**

NSP

Narratives**Summary of Distribution and Uses of NSP Funds:**

ADOH will distribute its NSP3 funds in accordance with the requirements of Section 2301(c)(2) of HERA, as amended by the Recovery Act and the Dodd-Frank Act, so that NSP3 funds are distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the State as likely to face a significant rise in the rate of home foreclosures.

After analyzing the market data collected from the various data sources, ADOH identified the areas that have the best potential to be NSP target areas. ADOH analyzed the supply of single and/or multi-family eligible properties vs. demand to adequately understand the potential challenges of each identified area. For example, target areas that could substantially promote the State's goals of increasing property values, decreasing the number of dilapidated and/or vacant units, enhancing affordability of housing, increasing availability of rental housing and building capacity of local developers, were placed at the top of the list.

How Fund Use Addresses Market Conditions:

ADOH relied on the following data sources to identify a neighborhood or neighborhoods within the State as being areas of greatest need, assess market conditions and analyze market data:

1. HUD NSP3 Mapping Tool – used to determine the exact location of the State's Target Neighborhoods. HUD provided the State of Arizona with a minimum threshold of 17 (www.hud.gov/nsp); therefore the State focused on identifying areas with an individual or average score of not less than 17.
2. www.realtytrac.com; www.trulia.com; and www.huduser.org/Datasets/nsp.html - used to review market characteristics for the State as a whole, as well as for the proposed target areas identified by the NSP3 Mapping Tool.
3. Department of Housing and Urban Development [Docket No. FR-5447-N-01] Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants – Attachment B – HUD's Methodology for Allocating the Funds for NSP3 – used to compare our findings to the needs of communities which received their own NSP allocation.

Ensuring Continued Affordability:

For NSP3-assisted rental units, the required period will be consistent with the requirements of the HOME program as described in Chapter 4 of the State Housing Fund Program Summary and Application Guide – Page 39:

http://azcms.housingaz.com/uploads/STATE%20HOUSING%20FUND/FY09%20Applications/SHF_Program_Summary_App_Guide.pdf

ACTIVITY

STATE INVESTMENT

PER UNIT

MINIMUM PERIOD OF AFFORDABILITY

Acquisition and/or Rehabilitation

1. Less than \$15,000
2. Between \$15,000 - \$40,000



3. \$40,001 or Greater

5 years

10 years

15 years

New Construction or Acquisition of newly constructed units

Regardless of Amount

20 years

ADOH will ensure continued affordability of multi-family units through recording of conditional property use restrictions with a term equal to at minimum, the affordability requirements of the HOME program the term of which is based on the amount funds invested per unit. HOME Program Standards can be found at 24 CFR 92.252(a), (c), (e), and (f), and 92.254.

Definition of Blighted Structure:

A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare.

The State of Arizona traditionally defers to the code enforcement standards of local government. For the purpose of this NSP3 Substantial Amendment, the State will modify the broadest definition used in the Federal Register/Vol.73, No. 194/Monday, October 6, 2008, Page 58331: <http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/nsnotice.pdf>

Definition of Affordable Rents:

The definition of affordable rents will be consistent with the definition adopted for the State Housing Fund Program Summary and Application Guide – Appendix D – Rent Chart – Page 71:

http://azcms.housingaz.com/uploads/STATE%20HOUSING%20FUND/FY09%20Applications/SHF_Program_Summary_App_Guide.pdf

Housing Rehabilitation/New Construction Standards:

The State of Arizona adheres to HUD Quality Standards (24 CFR, Subtitle B, Chapter IX, Part 982, Subpart I), and the Exhibit D Arizona Department of Housing (ADOH) Year 2011 Mandatory Design Guidelines for Multifamily Rental Housing. The appropriate standards are applied based on the type of construction activities to take place, be it single or multi-family construction. In addition, the State requires adherence to the “State Rehabilitation Standards for Owner Occupied Housing Rehabilitation” which were originally adopted in 1998. These standards have been accepted by HUD through the approval of the States FY2005-2009 Consolidated Plan.

The housing rehabilitation standards that will apply to NSP3 assisted activities will be consistent with those articulated in the adopted State Rehabilitation Standards Pages 1 through 14: http://azcms.housingaz.com/uploads/HOMEOWNERSHIP/State_Rehabilitation_Standards.pdf Additionally, the State will incorporate the following additions to its Housing Rehabilitation Standards:

1. All gut rehabilitation or new construction (i.e. general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes.
 2. All gut rehabilitation or new construction of mid-or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy).
 3. Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as, windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.
 4. Water efficient toilets, showers and faucets, such as those with the WaterSense label, must be installed.
 5. Where relevant, the housing should be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, fires).
- Additionally, the State will encourage the adoption of energy efficient and environmentally-friendly green elements to project design.

Vicinity Hiring:

In order to carry out this Activity, ADOH, to the maximum extent feasible, will provide for the hiring of employees who reside in the vicinity of the NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of any such project. ADOH will look to information on existing local ordinances to address these requirements.

Procedures for Preferences for Affordable Rental Dev.:

Total low-income set-aside percentage (must be no less than 25 percent): 25.00%

Total funds set aside for low-income individuals = \$1,250,000.00

ADOH will allocate at least 25 percent of its NSP3 funding allocation to housing for individuals and families with incomes at or below 50 percent of the area median income. To specifically address local housing market conditions, ADOH may rehabilitate or redevelop abandoned or foreclosed residential property, and vacant or demolished residential or nonresidential property, to meet its low-income targeting goals.

Grantee Contact Information:

Dhillon, Ruby

ruby.dhillon@azhousing.com

602-771-1031

1110 W. Washington St., Suite 310, Phoenix, AZ 85007

Overall

This Report Period

To Date



Total Projected Budget from All Sources	N/A	\$5,000,000.00
Total Budget	\$0.00	\$5,000,000.00
Total Obligated	\$0.00	\$4,946,703.73
Total Funds Drawdown	\$1,475,840.27	\$2,904,688.26
Program Funds Drawdown	\$1,475,840.27	\$2,904,688.26
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$1,481,840.27	\$2,904,688.26
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$750,000.00	\$0.00
Limit on Admin/Planning	\$500,000.00	\$102,000.00
Limit on State Admin	\$0.00	\$102,000.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$500,000.00	\$140,000.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$1,250,000.00	\$4,860,000.00

Overall Progress Narrative:

Multi-family project known as 209 W. Jackson is on schedule for rehabilitation construction. Expected project completion date is on or about August 15 2013. All beneficiary data will be reported at project close out. Project met the March 2013 50% expenditure deadline.

Multi-family project known as 29 Palms Apartments has completed the acquisition phase and has moved to building plan phase.

ADOH is pleased to report we have -0- stalled projects and -0- landbanks.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
B-11-DN-04-0001-A, Multi Family	\$1,461,840.27	\$4,860,000.00	\$2,802,688.26
B-11-DN-04-0001-C, Administration	\$14,000.00	\$140,000.00	\$102,000.00



Activities

Grantee Activity Number:	B-11-DN-04-0001-A2
Activity Title:	209 W. Jackson - Rehab

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

B-11-DN-04-0001-A

Projected Start Date:

08/01/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Multi Family

Projected End Date:

03/09/2014

Completed Activity Actual End Date:

Responsible Organization:

Arizona Housing, Inc.

Overall

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2013

N/A

To Date

\$1,215,752.45

Total Budget

\$0.00

\$1,215,752.45

Total Obligated

\$0.00

\$1,188,618.75

Total Funds Drawdown

\$593,097.77

\$685,129.65

Program Funds Drawdown

\$593,097.77

\$685,129.65

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$593,097.77

\$685,129.65

Arizona Housing, Inc.

\$593,097.77

\$685,129.65

Match Contributed

\$0.00

\$0.00

Activity Description:

Rehabilitation of foreclosed multi-family affordable housing project called 209 W. Jackson formerly known as Campaign Place located in downtown Phoenix Arizona at 209 W. Jackson Street. 209 W. Jackson consists of 1 parcel with one 4-story building containing a total of 304 apartment units of which 100 units will be reserved for NSP3 set aside for persons or households at or below 50% AMI. However, all 304 units are rent restricted for low income housing. 209 W. Jackson will undergo rehabilitation of the affordable rental units to include such items are HVAC replacement and upgrades, appliance replacement and upgrade to energy star rated, window replacement to energy star rated and assorted carpentry and other rehab as needed. The 209 W. Jackson project will help to stabilize the market, revitalize its neighborhood, preserve rental affordability, reduce vacancies and build inclusive communities.

Location Description:

209 W. Jackson formerly known as Campaign Place is a foreclosed multi-family property located at 209 W. Jackson, Phoenix Arizona 85003-4562 and is in an area with a Foreclosure and Abandonment Risk Score (FARS) of 17. Campaign Place consists of one 4-Story building on one parcel. Parcel No. APN 112-22-104

Activity Progress Narrative:

100% NSP1 funds are expended and met the March 2013 deadline. Project is also funded with NSP3 and met the 50% expenditure deadline. Project is on schedule and rehabilitation construction continues. 3rd and 4th floors of the project have been completed. 95% of the new roof is installed. 60% of the exterior stucco repair and re-painting is completed. 1st and 2nd floor rehabilitation is approximately 50% completed and the entire project is scheduled to be completed on or about August 15,



2013. All beneficiary data will be reported at project close out.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# ELI Households (0-30% AMI)	0	97/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	297/297
# of Multifamily Units	0	297/297

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/297	0/0	0/297	0
# Renter Households	0	0	0	0/297	0/0	0/297	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number:	B-11-DN-04-0001-B
Activity Title:	29 Palms Apts - Acquisition

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

B-11-DN-04-0001-A

Projected Start Date:

03/09/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Multi Family

Projected End Date:

03/09/2014

Completed Activity Actual End Date:
Responsible Organization:

Foundation for Senior Living - Real Estate Services, Inc.

Overall
Total Projected Budget from All Sources
Total Budget
Total Obligated
Total Funds Drawdown
Program Funds Drawdown
Program Income Drawdown
Program Income Received
Total Funds Expended

Foundation for Senior Living - Real Estate Services, Inc.

Match Contributed
Jan 1 thru Mar 31, 2013

N/A

(\$1,500,526.37)

(\$1,500,526.37)

\$868,742.50

\$868,742.50

\$0.00

\$0.00

\$868,742.50

\$868,742.50

\$0.00

To Date

\$868,742.50

\$868,742.50

\$868,742.50

\$868,742.50

\$868,742.50

\$0.00

\$0.00

\$868,742.50

\$868,742.50

\$0.00

Activity Description:

Acquisition of foreclosed multi-family property known as 29 Palms Apartments for the purpose of rehabilitation of the 21 unit complex that will be a multi-generational supportive housing project serving persons at or below 50%AMI. All beneficiary data will be reported under rehab activity B-11-DN-0001-B2

Location Description:

Multi-family project known as 29 Palms Apartments is located at 4901 E. Holly Street, Phoenix, AZ 85008-3314. Cross streets are 48th Street and McDowell in Central Phoenix Arizona. Project conveniently located near Loop 202, State route 143 and Interstate 10.

Activity Progress Narrative:

29 Palms Apartments closing for acquisition of foreclosed property has occurred. This project has also been awarded NSP3 for rehabilitation. All project beneficiary data will be reported under the rehab activity.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/1
# ELI Households (0-30% AMI)	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/21
# of Multifamily Units	0	0/21

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/21	0/0	0/21	0
# Renter Households	0	0	0	0/21	0/0	0/21	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number:	B-11-DN-04-0001-B2
Activity Title:	29 Palms Apts - Rehabilitation

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

B-11-DN-04-0001-A

Projected Start Date:

02/28/2013

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Multi Family

Projected End Date:

03/01/2014

Completed Activity Actual End Date:
Responsible Organization:

Foundation for Senior Living - Real Estate Services, Inc.

Overall
Total Projected Budget from All Sources
Jan 1 thru Mar 31, 2013

N/A

To Date

\$1,500,526.37

Total Budget

\$1,500,526.37

\$1,500,526.37

Total Obligated

\$1,500,526.37

\$1,500,526.37

Total Funds Drawdown

\$0.00

\$0.00

Program Funds Drawdown

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$0.00

Foundation for Senior Living - Real Estate Services, Inc.

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

Acquisition of foreclosed multi-family property known as 29 Palms Apartments for the purpose of rehabilitation of the 21 unit complex that will be a multi-generational supportive housing project serving persons at or below 50%AMI.

Location Description:

Multi-family project known as 29 Palms Apartments is located at 4901 E. Holly Street, Phoenix, AZ 85008-3314. Cross streets are 48th Street and McDowell in Central Phoenix Arizona. Project conveniently located near Loop 202, State route 143 and Interstate 10.

Activity Progress Narrative:

Acquisition of foreclosed multi-family known as 29 Palms Apartments has been completed. Architect is currently working on building plans and current tenants are being income qualified for URA purposes. Project is on schedule. Beneficiary data will be reported at project close out which is expected on or about August 31, 2015.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/1
#Energy Star Replacement Windows	0	0/21
#Additional Attic/Roof Insulation	0	0/21
#Efficient AC added/replaced	0	0/21



#Replaced hot water heaters	0	0/21
#Light fixtures (outdoors) replaced	0	0/21
#Refrigerators replaced	0	0/21
#Dishwashers replaced	0	0/21
#Low flow toilets	0	0/21
#Low flow showerheads	0	0/21
#Units with bus/rail access	0	0/21
#Units exceeding Energy Star	0	0/21
#Sites re-used	0	0/1

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/21
# of Multifamily Units	0	0/21

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/21	0/0	0/21	0
# Renter Households	0	0	0	0/21	0/0	0/21	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: B-11-DN-04-0001-C

Activity Title: Administration

Activity Category:

Administration

Project Number:

B-11-DN-04-0001-C

Projected Start Date:

03/09/2011

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

03/09/2014

Completed Activity Actual End Date:

Responsible Organization:

Arizona Department of Housing

Overall

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2013

N/A

To Date

\$140,000.00

Total Budget

\$0.00

\$140,000.00

Total Obligated

\$0.00

\$140,000.00

Total Funds Drawdown

\$14,000.00

\$102,000.00

Program Funds Drawdown

\$14,000.00

\$102,000.00

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$20,000.00

\$102,000.00

Arizona Department of Housing

\$20,000.00

\$102,000.00

Match Contributed

\$0.00

\$0.00

Activity Description:

PLANNING AND PROGRAM ADMINISTRATION.

Location Description:

ARIZONA DEPARTMENT OF HOUSING
1110 W. WASHINGTON ST., SUITE 310
PHOENIX, AZ 85007

Activity Progress Narrative:

General Administration for State of Arizona NSP 3 program

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	
